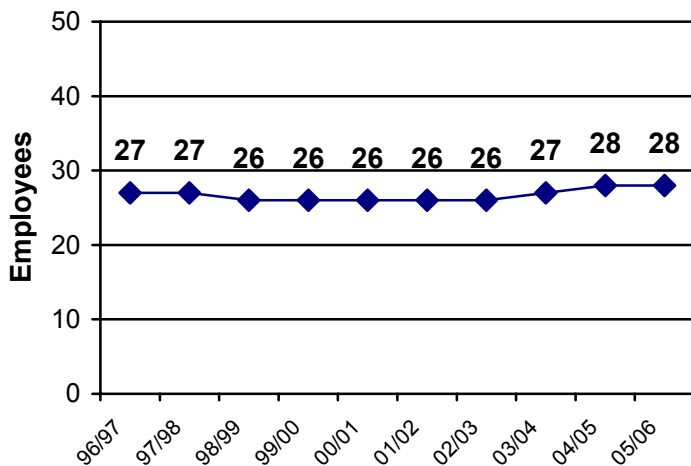


MISSION STATEMENT

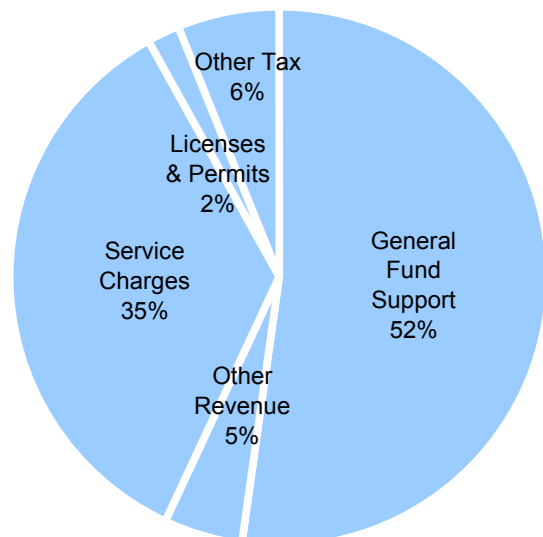
The Treasurer, Tax Collector, Public Administrator's staff is committed to provide quality service to the community. This includes efficient collection and prudent management of public funds needed for public services.

	2003-04	2004-05	2005-06	2005-06	2005-06
Financial Summary	Actual	Actual	Requested	Recommended	Adopted
Revenues	\$ 1,051,020	\$ 1,158,045	\$ 1,107,978	\$ 1,107,978	\$ 1,107,978
Salary and Benefits	1,971,314	2,128,985	2,200,845	2,200,845	2,200,845
Services and Supplies	275,661	237,363	298,854	298,854	298,854
Fixed Assets	17,021	9,632	0	0	0
**Gross Expenditures	2,263,996	\$ 2,375,980	\$ 2,499,699	\$ 2,499,699	\$ 2,499,699
General Fund Support	<u>\$ 1,212,976</u>	<u>\$ 1,217,935</u>	<u>\$ 1,391,721</u>	<u>\$ 1,391,721</u>	<u>\$ 1,391,721</u>

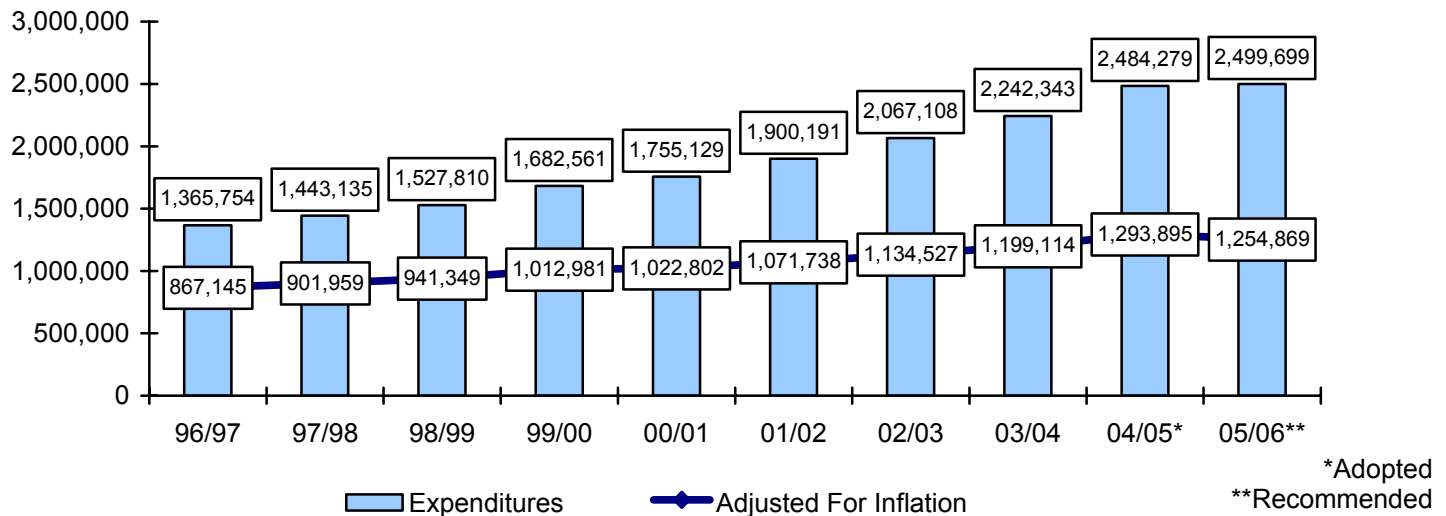
Number of Employees
(Full Time Equivalent)



Source of Funds



10 Year Expenditures Adjusted For Inflation



SERVICE PROGRAMS

Local Mandated Collections

Administer the issuance of business licenses for all unincorporated areas of the County; and collect and account for business license regulatory fees and Transient Occupancy Taxes (hotel bed taxes).

Total Expenditures: \$59,216 Total Staffing (FTE): .76

Public Administrator

Administer the estates of deceased County residents when there is no one willing or qualified to act as executor or administrator of the estate to ensure compliance with legal mandates. Services include coordinating property sale or other disposition; researching and notifying beneficiaries; processing court documentation, income tax returns, wills; and ensuring payments to creditors.

Total Expenditures: \$127,094 Total Staffing (FTE): 1.39

Secured Collections

Manage the billing, collection, and accounting of taxes secured by real property, i.e., residential and commercial land and buildings. Collect delinquent property taxes and coordinate the sale of tax-defaulted property through sealed bid sales, "Chapter 8" agreement sales, and public auctions.

Total Expenditures: \$1,057,824 Total Staffing (FTE): 11.45

Supplemental Collections

Manage the billing, collection, and accounting of Supplemental Property Taxes (secured or unsecured) when the property value is reassessed due to a change in ownership or the completion of construction on real property.

Total Expenditures: \$149,482 Total Staffing (FTE): 2.01

Treasury

Provide banking services including receiving, depositing, investing, and controlling all monies belonging to the County, school districts, and special districts for which the County Treasurer is ex-officio treasurer. Support the schools, special districts, and the County in issuing and selling bonds and special tax assessments.

Total Expenditures: \$656,829 Total Staffing (FTE): 6.87

Unsecured Collections

Manage the billing, collection, and accounting of taxes on unsecured property, i.e., business fixtures and equipment, racehorses, airplanes, and boats. Administer a collection program for delinquent unsecured property taxes.

Total Expenditures: \$449,254 Total Staffing (FTE): 5.52

DEPARTMENT COMMENTS

The combined Office of Treasurer, Tax Collector, and Public Administrator continue to focus on providing efficient, quality, and cost-effective service to the community. It is important to emphasize that all departmental service delivery programs are mandated by various California Codes and County Ordinances. It is also important to note that all of the department's service programs are directly related to the generation of income for the County.

The budget request supports the department's goals and ability to meet legally mandated services.

Salaries and Benefits: The Fiscal Year 2005-06 requested Position Allocation List (PAL) is the same as the current fiscal year with one exception which does not affect the funding for fiscal year 2005-06. It is requested that the limited term designation be removed from the Financial Analyst I, II, III and convert the position to permanent status. This position was added at the end of fiscal year 2003-04 with a limited term ending June 30, 2006. (Please see major accomplishments below, #1, for results.)

Services and Supplies: Any increases are due to inflationary costs.

Revenues: Total revenues for the requested budget reflect an \$81,723 decrease from the adopted 2004-05 budget. The decrease is due mainly to the anticipated completion of the Enterprise Financial System (EFS) project, Phase II, before the new fiscal year. Therefore, no revenue for account "Billings-Major System Develop" has been included. There are no significant variances in the remaining revenue accounts.

Major accomplishments for the first half of fiscal year 2004-05:

1. Implemented enhanced Delinquent Unsecured Collections Program. The department's goal for fiscal year 2004-05 is to collect an additional \$500,000 of the qualified delinquent unsecured taxes. At December 31, 2004, the goal has already been met! In addition, active payment plan commitments total over \$400,000. It is estimated that by fiscal year end, additional collections will total over \$700,000.
2. A major and significant accomplishment by the department is the successful implementation of "Taxes on the Web" (TOW), developed by the department in-house. TOW provides tax information to the public via the Internet on a 24/7 basis. The department also provides the public with the ability to pay their taxes on the Internet. The system is also used internally to assist the public at the counter, telephones, and by mail. The department continues with its enhancements of TOW in fiscal year 2004-05. One current enhancement provided for the generation of automated collection letters for the Delinquent Unsecured Collections Program. TOW is a major component of the department Customer Service Program (CSP). The goal of the CSP is to enhance service to the public and improve the safety and security of its employees.
3. Participated in the configuration and implementation of the Enterprise Financial System (EFS) Project, Phase I.
4. Converted payment processing and banking equipment from microfilm to imaging. This has provided increased internal controls and easier access for research.
5. Participated in the enterprise Integrated Document Management (IDM) system project team.

Anticipated accomplishments for the second half of fiscal year 2004-05:

6. Implement the Treasury Module of the EFS project. The Treasury Module will be utilized to manage the Treasurer's Combined Pool investments.
7. Conduct Internet Tax Sale, Sealed Bid Sale, and Public Agencies sale.
8. Reengineer Treasury processes to ensure best business practices and internal controls with new EFS system.
9. Implement the enterprise Integrated Document Management (IDM) system which should provide new efficiencies and effectiveness in processing, classifying, storing, and retrieving records and information.

Fiscal Year 2005-06 will provide the opportunity for efficiencies through streamlining processes and automation. One of the major goals is to continue to enhance TOW to include the ability for taxpayers to request and receive electronic tax bills. This will create a cost savings in printing and mailing tax bills. Department operations are continuously reviewed for efficiency and cost savings.

The office will continue to utilize automated systems to maintain and enhance quality customer service even with the increasing complexity and growth in workloads. The department is committed to contribute further to the Communitywide Results adopted by the Board of Supervisors of improved services to the public.

COUNTY ADMINISTRATOR'S COMMENTS AND RECOMMENDATIONS

The recommended FY 05/06 Treasurer/Tax Collector/Public Administrator's budget is \$97,143, or 7% over the FY 04/05 adopted budget. The increase is due mainly to the loss of salary reimbursement (\$81,723) for Treasury staff no longer working on Phase I of the Enterprise Financial System (EFS) project. However, the 2-year limited term Financial Analyst position that worked on the EFS project and tax collections is recommended to continue through fiscal year 05/06 to support the collection of delinquent unsecured taxes. The department's goal of collecting an additional \$500,000 of tax

revenue in fiscal year 04/05 has been exceeded and the position more than pays for itself at this point. The position will be re-evaluated at the end of 05/06 based on collection goals. If the position continues to meet or exceed expectations, a recommendation to make this a permanent position may be warranted. Overall, the FY 05/06 staffing level for the department remains at FY 04/05 levels.

BOARD ADOPTED CHANGES

None.

GOALS/PERFORMANCE MEASURES

Department Goal: Provide helpful, courteous, responsive service to County departments and the public while accommodating all reasonable requests. Communitywide Result Link: A well-governed community.						
1. Performance Measure: Percentage of customer satisfaction surveys which rate department performance as “excellent” or “good.”						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
97%	98%	100%	99%	100%	98%	100%
What: Satisfaction survey results collected from customers who are served in person, through the mail, or over the Internet. Why: To ensure effective customer service and track changing customer expectations. How are we doing? In FY 04/05, customer satisfaction surveys were conducted at the Tax Collector public counters and the Treasury depository counter. Of the survey responses received in FY 04/05, 98% rated the service as “excellent” or “good.” The department’s new location now provides one public counter for all services.						
Department Goal: Manage the Treasury investment pool, which includes deposits from the County, schools, and special districts, in a manner that ensures the preservation of capital and provides the ability to meet the cash flow needs of the pool participants. Communitywide Result Link: A prosperous community.						
2. Performance Measure: Percentage of public funds invested.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
99%	99%	99%	99%	99%	99%	99%
What: The percentage of available funds invested. Why: To maximize the return on investment for public funds not immediately required to support governmental operations. How are we doing? The County Treasurer’s policy is to invest all funds that are not immediately needed. We are able to invest such a high proportion of our funds because we utilize modern banking techniques such as electronic transfers, controlled disbursements, and on-line account tracking.						
3. Performance Measure: Percentage of time that the annual County Treasury Oversight Committee investment compliance audit results in 100% compliance.						
00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
100%	100%	100%	100%	100%	100%	100%
What: The County Treasury Oversight Committee was formed in 1996. One of its duties is to authorize an independent audit of the Treasury each year. The committee may contract with one of the following: 1) the County Auditor-Controller, 2) the independent certified public accountants (CPAs) that review the County’s Comprehensive Annual Financial Report, or 3) independent CPAs as deemed appropriate. Why: The annual audit ensures that operating procedures are effectively being implemented to preserve capital and meet cash flow requirements of the pool participants. How are we doing? These audits have consistently found the Treasury to be in compliance with the San Luis Obispo County Treasury Investment Policy.						

4. Performance Measure: Percentage of time which the net yield of San Luis Obispo County Treasury investments falls within 0.5% of the yield earned by the State Local Agency Investment Fund (LAIF).

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
100%	100%	100%	100%	100%	100%	100%

What: Investment yields (return on investments minus all administrative and banking costs).

Why: By law, the investment yield is the third priority after safety and liquidity are met.

How are we doing? During the last six quarters, the greatest difference between the apportioned rate of the County Treasury and LAIF was 0.43%. To compare the LAIF and County Treasury portfolios: 1) The LAIF portfolio is \$61 billion vs. \$441 million in the County Treasury portfolio. 2) LAIF is an investment fund, whereas, the County Treasury must cover the costs of daily operations.

Department Goal: Maintain modern, efficient treasury cash management and banking systems, providing proper internal controls to safeguard, manage, and account for liquid assets.

Communitywide Result Link: A prosperous and well-governed community.

5. Performance Measure: Percentage of time that “no findings” is the result of the internal quarterly audit by the County Auditor-Controller’s Office and the annual audit by outside auditors.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
100%	100%	100%	100%	100%	100%	100%

What: Internal quarterly and external annual audit results.

Why: Internal and external audits certify that procedures are being maintained to ensure effective internal control to safeguard, manage, and account for liquid assets.

How are we doing? We consistently pass our audits without any negative findings. If a suggestion is made by the audit team which will further improve our procedures, the suggestion is discussed and incorporated.

6. Performance Measure: Maintain a “AAA/V1+” credit rating by Fitch, Inc. for the Treasury Combined Pool Investments.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
“AAA/V1+”	“AAA/V1+”	“AAA/V1+”	“AAA/V1+”	“AAA/V1+”	“AAA/V1+”	“AAA/V1+”

What: Independent rating of creditworthiness.

Why: Credit ratings are an objective measure of the County’s ability to pay its financial obligations.

How are we doing? The San Luis Obispo County Treasury has continually maintained a “AAA/V1+” credit rating, which is the highest rating available from the nationally recognized statistical rating organization, Fitch, Inc. Fitch has rated the Treasury pool with their highest rating since FY 1994/95.

Department Goal: Process tax payments promptly and accurately to provide timely availability of funds to the government agencies for which taxes are collected.

Communitywide Result Link: A prosperous community.

7. Performance Measure: Collection costs as a percentage of current secured taxes collected.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
New measure	0.27%	0.29%	0.29%	0.29%	0.28%	0.28%

What: Costs to collect current secured taxes.

Why: To comply with the legal mandate to collect current year property taxes.

How are we doing? For FY 04/05, the County collected approximately \$310,623,525 in secured taxes. The Treasurer-Tax Collector’s collection costs for this same period were approximately 0.28%. Additionally, the Tax Collector’s Office is continuing to explore and implement improvements to its automation and E-Commerce to maintain or reduce costs. Of comparable counties surveyed, Placer at 0.25% is the closest to San Luis Obispo County in the number of assessments.

8. Performance Measure: Percentage of annual current secured property taxes owed that is not collected.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
1.4%	1.3%	1.0%	1.2%	1.0%	1.2%	1.0%

What: Collection of property taxes.

Why: To comply with legal mandates that require the collection of property taxes.

How are we doing? For FY 04/05, San Luis Obispo County had an uncollected current secured tax charge percentage of 1.2%, as compared to the state average of 2.5%.

9. Performance Measure: Percentage of qualified delinquent unsecured taxes collected.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
N/A	N/A	N/A	N/A	20%	37%	20%

What: Collection of delinquent unsecured taxes.

Why: Revenue and Taxation Code 2963, prohibits active collection of taxes on the unsecured roll after three years from the date taxes become delinquent. As of December 2004, the amount of delinquent taxes subject to active collection is approximately \$3,342,000. We project to collect \$820,000.

How are we doing? The enhanced collections unit exceeded projections by collecting \$1,236,987 or 37%. This is a direct result of adding the limited-term Financial Analyst position.

Department Goal: Implement cost justified, proven technologies to improve automated processing and reporting systems to provide current, accessible, and accurate information for the public.

Communitywide Result Link: A well-governed community.

10. Performance Measure: Percentage of Customer Service Program implemented that will enable the public to review and transact business on-line with the Treasurer, Tax Collector, Public Administrator.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
N/A	N/A	N/A	N/A	80%	80%	90%

What: The Treasurer, Tax Collector, Public Administrator website will be modified to allow for electronic commerce with the community.

Why: The ability to transact business 24/7 on-line is an important tool to improve the quality of service to the community.

How are we doing? The Office of the Treasurer, Tax Collector, Public Administrator is continuing to update, maintain, and develop prototype modules for the Taxes on the Web system (TOW) which provides property tax information and payment capabilities to the public over the Internet. The office informational website is currently under review and will be rebuilt in a more customer friendly format. In addition, the office has improved the communication of data to customers by implementing the ability to FAX information directly to the customer from any computer in the department.

Department Goal: Efficiently administer the estates of deceased County residents when there is no executor or administrator to protect estate assets in the best interests of the beneficiaries, creditors, and the County.

Communitywide Result Link: A well-governed community.

11. Performance Measure: Percentage of referrals to the Public Administrator that are completed with an initial investigation report, burial arrangements, and any required initial legal filing within 15 business days.

00-01 Actual Results	01-02 Actual Results	02-03 Actual Results	03-04 Actual Results	04/05 Adopted	04-05 Actual Results	05-06 Target
100%	100%	100%	100%	100%	100%	100%

What: Cases referred to the Public Administrator when no executor or administrator is available.

Why: To ensure compliance with legal requirements and protect the estate assets.

How are we doing? According to department policy, we begin each estate investigation immediately upon notification.